

Lesson 4.1 Changes in Today's Marketing

LESSON QUIZ

Directions: For each of the following statements, if the statement is true, write a T on the answer line; if the statement is false, write an F on the answer line.

- F 1. Marketing has changed very little from the way it was used by businesses many years ago.
- T 2. The earliest use of marketing was to move products from the producer to the consumer.
- T 3. Marketing is more effective when it is integrated into other business activities.
- F 4. Most marketing strategies are developed as a result of problems businesses encounter.
- T 5. Market opportunities include new markets and ways to improve a company's offerings in current markets.
- T 6. In the past, many businesses reduced marketing efforts when faced with financial problems.
- F 7. Spending money on marketing reduces a company's profit in the long run.
- T 8. Businesses often fail when they don't understand and use the marketing concept.

Directions: For each of the following items, decide which choice best completes the statement. Write the letter that identifies your choice on the answer line.

- D 9. The primary focus of the marketing concept is
- A. increased sales
 - B. reducing costs
 - C. responding to competition
 - D. none of the above are correct
- C 10. Businesses that have adopted the marketing concept
- A. reduce the number of marketing activities they complete
 - B. separate marketing planning from other business plans
 - C. use a totally new approach to thinking and planning
 - D. will be successful if they produce a quality product
- B 11. A business takes a big risk when it is unwilling to
- A. cut costs
 - B. study the needs of its customers
 - C. increase promotion
 - D. all of the above
- A 12. Today's marketers are continuously looking for
- A. market opportunities
 - B. ways to harm competitors
 - C. lower cost production methods
 - D. chances to increase product prices

Activity 1 • Home on the Range

Directions: In America's past, horses, like marketing, served a different purpose. In the Wild West, horses were a means of transportation and a necessary part of a ranch's livestock. Compare how horses were marketed in the past with the way a dude ranch would be marketed today.

| PAST | PRESENT |
|---|--|
| <p>Few Activities</p> <p><i>Answers will vary. Ranchers probably wouldn't think about marketing but only about what activities would be needed to sell a horse.</i></p> | <p>Variety of Activities</p> <p><i>Answers will vary. Ranchers would plan a variety of marketing activities to attract customers to the dude ranch and provide a great vacation experience.</i></p> |
| <p>Independent</p> <p><i>Answers will vary. Ranchers would let prospective buyers know a horse was for sale, agree on a price, and then determine how it would be transported to the buyer's ranch.</i></p> | <p>Integrated</p> <p><i>Answers will vary. Marketing will be planned as a part of developing a complete business plan for the dude ranch. The entire marketing mix will be integrated to meet customer needs.</i></p> |
| <p>Problem-solver</p> <p><i>Answers will vary. Most ranchers needed horses for their operations and wouldn't sell them unless they encountered problems. Ranchers may have had to sell horses if the ranch had a bad year financially or feed wasn't available for the horses.</i></p> | <p>Opportunity-Provider</p> <p><i>Answers will vary. Ranchers actively target families who may be planning a family vacation and upper-income professionals seeking a unique adventure.</i></p> |
| <p>Expense</p> <p><i>Answers will vary. Ranchers did not want to spend money to sell a horse as it would reduce any income they made from the sale.</i></p> | <p>Investment</p> <p><i>Answers will vary. Ranchers will invest money in well-designed marketing activities, including promotion; work with travel agents; and carefully plan transportation and programs, recognizing the investment in marketing will increase sales and profits.</i></p> |

Lesson 4.2 Planning a Marketing Strategy

LESSON QUIZ

Directions: For each of the following statements, if the statement is true, write a T on the answer line; if the statement is false, write an F on the answer line.

- T 1. Without the marketing concept, a business will develop a product or service and then decide how to market the product.
- T 2. Various groups of customers may have different needs.
- T 3. Marketing and product planning should occur at the same time.
- F 4. Most of today's consumers are not well informed.
- T 5. Businesses that are not prepared for competition have a difficult time staying in the market.
- F 6. A business that believes in the marketing concept focuses its business planning on increasing sales.

Directions: For each of the following items, decide which choice best completes the statement. Write the letter that identifies your choice on the answer line.

- A 7. If a company understands the marketing concept, its first step will be to
A. identify potential customers and their needs
B. develop a product
C. develop a marketing mix
D. distribute the product
- D 8. Businesses that do not believe in the marketing concept believe
A. consumers do not know what they want
B. they can influence consumer needs with well-designed products
C. most consumers are similar in terms of their needs
D. all are correct
- A 9. Consumers with different needs require
A. specialized products and services
B. more advertising
C. price incentives
D. fewer product choices
- D 10. Which of the following is *not* a part of the product mix element?
A. the actual physical product
B. services
C. product uses
D. transportation
- C 11. Probably the most difficult marketing decision to understand and plan is
A. product
B. distribution
C. price
D. promotion

Activity 1 • Slogan Mix and Match

Directions: The goal of promotion is to direct a meaningful message to a target market about an attribute of the product or service. That is frequently done by the creation of a slogan designed to make a memorable impression on consumers. Some slogans become so well known that they live on after the product no longer exists or the business develops a new slogan. For each slogan in the table below, select the company from the last column you believe used that slogan to promote its products. Place the letter identifying the company in front of the correct slogan. Based on your knowledge of the product and the slogan, identify the market segment that was being targeted with a short description in the Target Market column.

| Answers | Slogan | Target Market | Companies |
|--------------|--|---|---------------------|
| <u> e </u> | 1. You deserve a break today | <i>Working and professional adults</i> | a. Coca-Cola |
| <u> g </u> | 2. Don't leave home without it | <i>Vacationing and professional adults</i> | b. Microsoft |
| <u> d </u> | 3. Just do it | <i>People who want to become physically fit</i> | c. Toyota |
| <u> h </u> | 4. Be all you can be | <i>Young adults</i> | d. Nike |
| <u> i </u> | 5. Mmm mmm good | <i>Adults who want good meals that are easy to cook</i> | e. McDonald's |
| <u> a </u> | 6. I'd like to teach the world to sing | <i>Teens and young adults</i> | f. United |
| <u> c </u> | 7. Oh what a feeling | <i>Young professionals</i> | g. American Express |
| <u> j </u> | 8. I can't believe I ate the whole thing | <i>Older adults</i> | h. U.S. Army |
| <u> f </u> | 9. Fly the friendly skies | <i>Business travelers</i> | i. Campbell's |
| <u> b </u> | 10. Where do you want to go today? | <i>Young adults and parents</i> | j. Alka-Seltzer |

Activity 2 • Where You Belong

Directions: Describe the market segment that you identify with the most when you make frequent purchases. Identify common characteristics and similarities of people in the market.

Answers will vary, but should include specific characteristics such as age, gender, education, ethnic origin, etc.

Lesson 4.3 Understanding Consumers and Competitors

LESSON QUIZ

Directions: For each of the following statements, if the statement is true, write a T on the answer line; if the statement is false, write an F on the answer line.

- F 1. Consumers want to choose the alternative that requires the least amount of money.
- T 2. A consumer may be aware of products but will not make a purchase until a need exists.
- F 3. Consumers always spend a great deal of time and want a large amount of information when evaluating alternative choices.
- F 4. Most decisions to purchase are made before the consumer has finished evaluating choices.
- T 5. The most difficult type of competition businesses face is a market in which businesses compete with others offering very similar products.
- T 6. Customers using the products and services of a monopoly business often become dissatisfied with their lack of choice.
- F 7. Companies that use the marketing concept do not focus on specific groups of customers, but rather on all consumers in general.

Directions: For each of the following items, decide which choice best completes the statement. Write the letter that identifies your choice on the answer line.

- B 8. When the same purchase decision is repeated again and again
 - A. each decision is unique
 - B. the decision becomes routine
 - C. consumers will not really recognize the similarity
 - D. consumers still must repeat all of the steps in the decision making process
- C 9. The typical purchasing process begins when consumers
 - A. determine the satisfaction the decision creates
 - B. identify possible solutions
 - C. recognize a need
 - D. evaluate options
- D 10. The most important type of research for most businesses is the study of
 - A. competitors' products and prices
 - B. ways to reduce costs
 - C. new products
 - D. potential and current customers
- A 11. Companies in _____ find the marketing concept to be of most value.
 - A. monopolistic competition
 - B. pure competition
 - C. a monopoly
 - D. an oligopoly

Activity 1 • Decisions, Decisions

Directions: A vacation is meant to be fun, but it also means making plans. Planning a good vacation requires decisions. You can make decisions about your vacation before you leave home. Use the decision-making process to plan a vacation that doesn't cost more than \$500.

Recognize a need.

Answers will vary, but should include recognizing the needs of all people who will be a part of the vacation as well as the spending limit of \$500.

Identify alternatives.

Answers will vary, but should identify several possible locations or activities that respond to the needs of the vacationers.

Evaluate choices.

Answers will vary, but should include information about the possible locations and activities, the costs of each, and the enjoyment each would provide.

Make a decision.

Answers will vary, but should identify one option that appears to offer the greatest value in relation to the needs and resources of the participants.

Determine satisfaction.

Answers will vary, but should describe why the selection was made and an assessment at the end of the vacation about whether it seems the best decision was made based on the vacationers' satisfaction.

Lesson 4.4 The Varied Role of Marketing

LESSON QUIZ

Directions: For each of the following statements, if the statement is true, write a T on the answer line; if the statement is false, write an F on the answer line.

- F 1. All businesses need to place the same amount of emphasis on each of the four marketing mix elements.
- F 2. Because producers and manufacturers do not sell directly to final consumers, they do not need to understand and respond to consumer needs.
- T 3. Producers and manufacturers need to be concerned about the needs of other businesses in the channel of distribution.
- F 4. Customers will blame the manufacturer rather than other channel members if a product does not meet their needs.
- T 5. Most service businesses do not use a channel of distribution.
- T 6. Distribution planning is important to service businesses because the service must be available where and when the customer wants it.
- T 7. A government agency is an example of a nonprofit organization.
- F 8. Because nonprofit organizations do not have to be concerned about sales and expenses, they do not benefit a great deal from marketing.

Directions: For each of the following items, decide which choice best completes the statement. Write the letter that identifies your choice on the answer line.

- D 9. Which of the following businesses would *not* be a part of a channel of distribution?
 - A. producer
 - B. retailer
 - C. wholesaler
 - D. all would be a part of a distribution channel
- B 10. Retailers are responsible for most final _____ decisions.
 - A. product
 - B. pricing
 - C. distribution
 - D. promotion
- B 11. The price of a service is difficult to compare because
 - A. a middleman is usually involved
 - B. different businesses may offer the service in a different way
 - C. the business has little control over the price
 - D. service businesses do not sell a wide variety of products

Activity 1 • Which Channel?

Directions: Shelly designs and produces ceramic pottery. She wants to market her pottery but does not want to open her own retail store. She is considering three different distribution methods: (1) selling through local craft shops; (2) setting up a booth at weekend fairs and festivals to sell her products, (3) creating an Internet site to market her products and using a parcel service to ship the products she sells. Describe the channel of distribution and how marketing will be different for each alternative.

Alternative 1

Answers will vary. Shelly will have to work with the craft shops to convince them to sell her products and to design products that will meet their customers' needs. The shops will control final pricing and promotion.

Alternative 2

Answers will vary. Shelly will sell directly to consumers at the fairs and festivals and will be responsible for all marketing activities.

Alternative 3

Answers will vary. Shelly will plan the product and prices. She may manage the web site and promotion or may use a company with that expertise. The product will be distributed by the parcel service.

Activity 2 • College Marketing

Directions: Many high school students plan and prepare carefully to get accepted into the college of their choice. Colleges market themselves carefully to high school students and their parents to get the number of acceptable applications they need. They compete with many other colleges for top students. Select two colleges that are particularly active in recruiting students from your high school. Gather information on the activities each college uses as a part of their marketing plan and the type of information they provide. Determine if they appear to be recruiting the same types of students. In the space below describe their marketing efforts.

College #1

College #2